

in the UHC Provider Agreement. Net worth shall be determined by applying the same accounting principles as were applied in Section 5.3 of the Previous Agreement to determine the price at which UWS purchased the U-Care Business (as defined in the Previous Agreement), and shall not include any amount attributable to good will.

6.5. Form of Reacquisition. The reacquisition of the UHC Business shall take the form of assumption reinsurance with a UHC designee to be effective upon the (i) applicable Expiration Date in the case of an option exercised pursuant to Section 6.1 and (ii) the Scheduled Closing Date in the case of an option exercised pursuant to Section 6.2. The provider agreements then in effect relating to the UHC Business will not be assigned to the University Affiliated Entities, but it is expressly acknowledged that the University Affiliated Entities or UHC's designee shall be free to enter into provider agreements with providers of their choosing. The assets to be transferred to cover the liabilities assumed shall be cash, cash equivalent admitted assets, investment grade stocks or bonds, or government securities, or any combination thereof, at the discretion of UWS.

ARTICLE 7 - TERM AND TERMINATION

7.1. Term. The initial term of the Joint Venture shall expire on December 31, 2004, unless earlier terminated in accordance with this ARTICLE 7. Thereafter, the Joint Venture shall automatically renew for additional five (5) year terms unless terminated in accordance with this ARTICLE 7.

7.2. Termination. The Joint Venture may be terminated only as follows.

A. The Joint Venture may be terminated at the end of the initial or any subsequent term by (i) the University Affiliated Entities, provided that they shall give written notice to the UWS Entities on or before the 180th day prior to the scheduled Expiration Date, but not earlier than the 190th day prior to such scheduled Expiration Date and (ii) the UWS Entities, provided that they shall give written notice to the University Affiliated Entities on or before the 270th day prior to the scheduled Expiration Date, but not earlier than the 280th day prior to the scheduled Expiration Date; provided, however, that if the LLC has given written notice of termination of the HMOW Joint Venture pursuant to Section 5(a) of the LLC Service Agreement, then UHC may within thirty days give notice of termination effective 180 days thereafter or on a timetable as otherwise agreed by the parties.]

B. The Joint Venture will automatically terminate (i) on the applicable Expiration Date if UHC exercises its right to reacquire the UHC Business in accordance with Section 6.1, and (ii) on the Scheduled Closing Date if UHC exercises its right to reacquire the UHC Business in accordance with Section 6.2, in each case unless the Parties agree otherwise.

C. The Joint Venture shall terminate 90 days after any Party shall notify the other Parties that (i) a Party to which such notifying party is not affiliated ("Breaching Party") has breached any of its obligations under this Agreement or (ii) a representation or warranty of the Breaching Party has proven to have been materially false when made, unless under either (i) or (ii) the Breaching Party shall have cured such breach or the condition which renders such